

STATE OF NEW YORK

10286

IN ASSEMBLY

February 20, 2026

Introduced by M. of A. REYES -- read once and referred to the Committee on Housing

AN ACT to amend the public housing law and the real property law, in relation to creating the cooperative and condominium ombudsperson program; to amend the tax law, in relation to authorizing the residential unit fee; and to amend the state finance law, in relation to establishing the cooperative and condominium ombudsperson program fund

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

Section 1. Subdivision 1 of section 14 of the public housing law is amended by adding a new paragraph (y) to read as follows:

(y) administer the cooperative and condominium ombudsperson program pursuant to article eleven of the real property law.

§ 2. The real property law is amended by adding a new article 11 to read as follows:

ARTICLE 11

COOPERATIVE AND CONDOMINIUM OMBUDSPERSON PROGRAM

Section 360. Short title.

360-a. Legislative declaration.

360-b. Definitions.

360-c. Cooperative and condominium ombudsperson program.

360-d. Services under the program.

360-e. Registration of cooperatives and condominiums with the ombudsperson program.

360-f. Assistance of other state agencies.

360-g. Reports to the governor and the legislature.

360-h. Contract authority.

360-i. Separability.

§ 360. Short title. This article shall be known and may be cited as the "cooperative and condominium ombudsperson act".

§ 360-a. Legislative declaration. The legislature finds and determines as follows:

Cooperative and condominium housing constitutes a significant portion of New York state's residential housing stock. It is and has been the

EXPLANATION--Matter in italics (underscored) is new; matter in brackets [-] is old law to be omitted.

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1 public policy of this state to encourage such forms of home ownership. A
2 wide variety of laws have been enacted to provide fairness in the
3 conversion of rental properties to cooperative and condominium ownership
4 and in the regulation and taxation of cooperatives and condominiums.
5 State and local laws and regulations are also designed to ensure that
6 the residents of such housing are provided with safe and habitable
7 accommodations.

8 Unfortunately, disputes have not infrequently arisen among cooperative
9 and condominium sponsors and developers, cooperative shareholders and
10 condominium unit owners, prospective shareholders and unit owners,
11 boards of directors and boards of managers. Such disputes may result in
12 lengthy and costly litigation and uncertainty as to the rights of the
13 parties pending the outcome of litigation. Such litigation diverts
14 resources that could be better utilized to provide affordable and well-
15 maintained buildings and grounds for the common good of the owners.

16 This article is necessary to provide a neutral, informative and acces-
17 sible resource available to all parties involved in residential cooper-
18 ative and condominium ownership and governance. The ombudsperson program
19 created pursuant to this article will conduct outreach programs to
20 educate unit owners and board members as to their legal rights and
21 responsibilities. The ombudsperson program will encourage alternative
22 dispute resolution when disputes do arise. The ombudsperson will be
23 available to provide dispute resolution services on consent of the
24 parties. The ombudsperson will also provide monitoring and supervision
25 of cooperative and condominium elections.

26 § 360-b. Definitions. 1. "Cooperative" means a corporation organized
27 and operating pursuant to the general business law or the cooperative
28 corporations law for the primary purpose of providing residential hous-
29 ing to its shareholders.

30 2. "Condominium" means a homeowners association or any association
31 organized and operating pursuant to article nine-B of this chapter for
32 the primary purpose of providing residential housing to its unit owners.

33 3. "Program" means the cooperative and condominium ombudsperson
34 program created by this article.

35 4. "Ombudsperson" means the not-for-profit organization selected to
36 run the cooperative and condominium ombudsperson program.

37 5. "State agency" means any department, board, bureau, commission,
38 division, office, council or agency of the state, or a public benefit
39 corporation or authority authorized by the laws of the state.

40 6. "Local agency" means any department, board, bureau, commission,
41 division, office, council, officer or agency of a city, town or village.

42 § 360-c. Cooperative and condominium ombudsperson program. 1. There
43 shall be established within the division of housing and community
44 renewal a cooperative and condominium ombudsperson program. The commis-
45 sioner of the division of housing and community renewal shall be respon-
46 sible for oversight of the program.

47 2. Within one year of the effective date of this article, the division
48 of housing and community renewal shall establish the cooperative and
49 condominium ombudsperson program, and shall have the power to implement
50 the program by appropriate regulations.

51 3. The division of housing and community renewal shall distribute
52 monies from the cooperative and condominium ombudsperson program fund
53 established pursuant to section eighty-one-a of the state finance law to
54 one eligible not-for-profit entity, to be selected by a competitive
55 bidding process, to act as the cooperative and condominium ombudsperson
56 and to oversee the cooperative and condominium ombudsperson program

1 statewide. The ombudsperson shall develop a statewide infrastructure to
2 deliver services on a local or regional level and may subcontract with
3 one or more eligible not-for-profit entities to provide services under
4 the program.

5 4. The not-for-profit organization and any subcontracted organizations
6 providing services under the program shall employ at least one attorney
7 or other professional with extensive experience in real estate, cooper-
8 ative and condominium law and in conflict and alternative dispute resol-
9 ution to oversee the ombudsperson program services provided by such
10 organization.

11 5. Ombudsperson program staff shall adhere to a code of ethics in
12 order to inspire public confidence and trust in the fairness and impar-
13 tiality of the program. The division of housing and community renewal
14 shall prescribe such code of ethics. Such code shall require that the
15 ombudsperson program staff respect and comply with the law; that they
16 not use or attempt to use their positions to secure privileges or
17 exemptions for themselves or others; that they not solicit, accept or
18 agree to accept any gifts or gratuities from persons having or likely to
19 have any transaction with the office; that they not request or accept
20 any payment in addition to their regular compensation for assistance
21 given as part of their official duties; and that they shall not perform
22 any function in a manner that improperly favors any person or party.

23 6. Ombudsperson program staff shall not serve as officers or employees
24 of a political party or a club or organization related to a political
25 party, receive remuneration for activities on behalf of any candidate
26 for public office or party position or engage in soliciting votes or
27 other activities on behalf of a candidate for public office or party
28 position.

29 7. The secretary to the governor shall assure that all state agencies
30 provide the ombudsperson with assistance in advancing the purposes of
31 the office and to assure that the activities of the office are fully
32 coordinated with the activities of state agencies providing related
33 services.

34 § 360-d. Services under the program. Services provided under the
35 program shall include:

36 1. Educating and informing shareholders of cooperatives and unit
37 owners of condominiums, their boards of directors and boards of manag-
38 ers, property managers, professionals working with and for such boards
39 and other interested parties of their legal rights and responsibilities
40 under the federal, state and local laws and regulations applicable to
41 cooperative and condominium housing in the state of New York and under
42 the cooperative and condominium documents governing the respective prop-
43 erties.

44 2. Coordinating and assisting in the preparation and publication of
45 educational and reference materials about residential cooperatives and
46 condominiums, to make such resources known and available to the widest
47 possible audience.

48 3. Organizing and conducting meetings, workshops, conferences, and
49 forums and utilizing all forms of communications media to disseminate
50 accurate and timely information of interest to persons residing in,
51 owning and managing cooperative and condominium housing.

52 4. Providing mediation, arbitration and other forms of alternative
53 dispute resolution services to cooperative and condominium sponsors and
54 developers, cooperative shareholders, condominium owners, their boards
55 of directors and managers, prospective shareholders and unit owners and

1 other parties so as to avoid costly and lengthy litigation and reduce
2 expenses for those involved in disputes.

3 5. Referring parties for a hearing before the division of housing and
4 community renewal.

5 (a) Should mediation, arbitration, or other form of alternative
6 dispute resolution provided by or through the ombudsperson fail to
7 resolve a dispute between the parties, the ombudsperson, may, upon
8 request by either party, refer the dispute for a hearing to be held by
9 the division of housing and community renewal in accord with article
10 three of the state administrative procedure act.

11 (b) Referrals for hearing before the division of housing and community
12 renewal shall be limited to disputes regarding acts that may be contrary
13 to law or an association's governing rules; unreasonable, unfair,
14 oppressive, retaliatory, or discriminatory; based on a mistake of fact;
15 based on improper or irrelevant grounds; or otherwise erroneous.

16 (c) Upon receipt of a referral from the ombudsperson's office, if the
17 division finds that the dispute meets the criteria of paragraph (b) of
18 this subdivision, the division shall schedule a hearing and issue notice
19 to the parties of the time and place of the hearing.

20 (d) Such hearings shall be held before an administrative law judge who
21 shall receive evidence, documents, and testimony and provide the parties
22 with an opportunity to be heard.

23 (e) The administrative law judge shall have the power to subpoena and
24 enforce the attendance of witnesses, administer oaths or affirmations
25 and examine witnesses under oath, and require the production of any
26 books and papers deemed relevant or material to the resolution of any
27 dispute pending before the division.

28 (f) After conclusion of the hearing, the division shall issue a writ-
29 ten determination of its decision to both parties. In the written deter-
30 mination, the division may order any party to abide by the statutes,
31 regulations, or governing rules at issue.

32 (g) Either party may seek judicial review of such determination pursu-
33 ant to article seventy-eight of the civil practice law and rules
34 provided that such review shall be maintained against the same parties.

35 6. Engaging with housing courts, other trial courts, state and local
36 agencies and with alternative dispute resolution programs maintained by
37 the office of court administration in order to provide specialized
38 expertise in the resolution of cooperative and condominium disputes as
39 an alternative to litigation.

40 7. Offering procedures, monitors and vote counting services to assure
41 fair elections for members of cooperative boards of directors and condo-
42 minium boards of managers. Fifteen percent of the total voting inter-
43 ests in a cooperative or condominium or shareholders or owners of six
44 residential units, whichever is greater, may petition the ombudsperson
45 to attend and conduct an election of directors or managers. All costs
46 associated with the election monitoring process shall be paid by the
47 cooperative or condominium.

48 8. Referring any complaints received to the appropriate law enforce-
49 ment agency for prosecution, if deemed appropriate by the ombudsperson.

50 9. Performing any other functions that are necessary or appropriate to
51 fulfill the duties and responsibilities of the program.

52 § 360-e. Registration of cooperatives and condominiums with the ombud-
53 sperson program. The cooperative and condominium ombudsperson program
54 shall compile and maintain a register of cooperatives and condominiums
55 within the state which shall be updated annually, upon payment of the

1 residential unit fee pursuant to section one hundred eighty-six-h of the
2 tax law, and shall include the following information:

3 1. the name, address and telephone number of the association;

4 2. the name of the management company or managing agent, and the name
5 of any other person who is authorized to manage the property at the site
6 of the cooperative or condominium;

7 3. the names, mailing addresses and telephone numbers of the members
8 of the executive board of the cooperative or condominium;

9 4. the name of the declarant;

10 5. the number of units in the cooperative or condominium association;

11 6. the total annual assessment made by the association;

12 7. the number of foreclosures which were completed on units within the
13 cooperative or condominium, and which were based on liens for the fail-
14 ure of the shareholder or unit's owner to pay any assessments levied
15 against the shares or unit or any fines imposed against the shareholder
16 or unit's owner; and

17 8. whether a study of the reserves of the association has been
18 conducted.

19 § 360-f. Assistance of other state agencies. To effectuate the
20 purposes of this article, the division of housing and community renewal
21 may request and shall be entitled to receive from any state agency, and
22 the same are authorized to provide, such assistance, services, facili-
23 ties, and data as will enable the division to carry out the purposes of
24 the ombudsperson program.

25 § 360-g. Reports to the governor and the legislature. The division of
26 housing and community renewal shall make an annual report, to be
27 received on or before January first, to the governor and the legislature
28 concerning the activities undertaken by the ombudsperson program, recom-
29 mendations for legislative proposals, data concerning program activities
30 and other pertinent information as may be required.

31 § 360-h. Contract authority. The division of housing and community
32 renewal is hereby empowered to enter into any agreement or contract with
33 any state or local agency necessary or convenient to carry out the
34 provisions of this article.

35 § 360-i. Separability. If any clause, sentence, paragraph, section or
36 part of this article shall be adjudged by any court of competent juris-
37 isdiction to be invalid, such judgment shall not affect, impair or invali-
38 date the remainder thereof, but shall be confined in its operation to
39 the clause, sentence, paragraph, section or part thereof directly
40 involved in the controversy in which such judgment shall have been
41 rendered.

42 § 3. The tax law is amended by adding a new section 186-h to read as
43 follows:

44 § 186-h. Residential unit fee. A cooperative housing corporation or a
45 homeowners association, as such terms are defined in section two hundred
46 ten of this chapter, shall pay an annual fee of six dollars per year for
47 each residential unit located in a building or buildings owned or oper-
48 ated by such corporation or association. Such fee shall be payable to
49 the department. All revenue from the fee imposed pursuant to this
50 section shall be paid by the department to the state comptroller to be
51 deposited to and credited to the cooperative and condominium ombudspers-
52 on program fund, established pursuant to section eighty-one-a of the
53 state finance law.

54 § 4. The state finance law is amended by adding a new section 81-a to
55 read as follows:

1 § 81-a. Cooperative and condominium ombudsperson program fund. 1.
2 There is hereby established in the custody of the state comptroller a
3 special fund to be known as the "cooperative and condominium ombudsper-
4 son program fund".

5 2. The cooperative and condominium ombudsperson program fund shall
6 consist of monies appropriated thereto, funds transferred from any other
7 fund or sources, and monies deposited therein pursuant to section one
8 hundred eighty-six-h of the tax law.

9 3. The monies in the cooperative and condominium ombudsperson program
10 fund shall be kept separate from and shall not be commingled with any
11 other monies in the custody of the state comptroller. Such monies shall
12 be allocated to and expended by the division of housing and community
13 renewal solely for the staffing and administration of the cooperative
14 and condominium ombudsperson program.

15 § 5. This act shall take effect on the one hundred eightieth day after
16 it shall have become a law.